

Energy Storage OIR

Procurement Policies Workshop



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- Energy storage is not an end unto itself. Energy storage is one possible technology that can be employed to address current and future issues facing the electric grid.
 - Issues range from behind the meter customer applications, to distribution and transmission systems, as well as wholesale markets.
 - Some applications may be very specific to a particular location, while some may be suitable for utilization in a wide range of locations and different scales.
- SDG&E supports implementing energy storage systems (EES) in the most efficient and effective manner that allows California to achieve its desired goals, while minimizing any barriers that could impede the usage and development of EES.

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- Procurement targets are not the most appropriate approach to achieve a proper deployment of EES in California.
 - It is inappropriate, premature and difficult to establish a proper and cost-effective deployment level
 - Ratepayers should not be burdened with the cost of uneconomic storage projects installed simply to meet a mandated target
 - Operational needs, which could differ by IOU, are driving SDG&E to procure ESS. These needs are driven by policy, existing equipment and customer choices such as:
 - Penetration of PVs and EVs by customers
 - Resource mix of centralized renewable plants
 - Technology is still nascent
 - Limited operational experience by IOUs
 - A mandate could be a barrier for a cost-effective development

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- SDG&E believes that pricing signals derived by demand and supply forces are a key element for the development of an effective market for existing and new products for EES.
- Deployment of EES should continue on a case-by-case basis supporting different efforts such as:
 - Integration of centralized renewable energy for compliance with Renewable Portfolio Standards
 - Mitigation of intermittency issues related to the installation of PVs systems by customers that supports existing state policy
 - Adoption of high levels of EVs by customers by maintaining reliability on the system
 - Other cost-effective applications